

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TEL AV 06179 081358Z

46

ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-02 SAM-01 IO-13 AGR-05 AGRE-00 INT-05

FEAE-00 CU-02 DODE-00 PA-01 PRS-01 SSM-03 /114 W

----- 024664

R 081325Z SEP 76

FM AMEMBASSY TEL AVIV

TO SECSTATE WASHDC 2980

LIMITED OFFICIAL USE TEL AVIV 6179

E.O. 11652: N/A

TAGS: EFIN, IS

SUBJECT: NEW BANK OF ISRAEL GOVERNOR

1. SEPTEMBER 5, GOI NOMINATED ASHER YADLIN AS GOVERNOR OF BANK OF ISRAEL (BOI) FOR FIVE-YEAR TERM BEGINNING NOV 1. YADLIN IS PRESENTLY DIRECTOR GENERAL OF KUPAT HOLIM (ISRAEL'S LARGEST HEALTH INSURANCE SYSTEM WHICH IS RUN AND CONTROLLED BY HISTADRUT). HE WAS FORMERLY SECRETARY GENERAL OF HAVRAT OVDIM, HISTADRUT'S INDUSTRIAL HOLDING COMPANY, AND HAS A BACKGROUND IN KIBBUTZ AND IONEER YOUTH MOVEMENTS. YADLIN HAS SPENT A CONSIDERABLE AMOUNT OF TIME IN THE U.S.; HE RECEIVED A B.A. FROM THE NEW SCHOOL AND AN M.A. IN ECONOMICS FROM CCNY. HE VISITED THE U.S. ON A 30-DAY IV GRANT I SEPT-OCT 1968. HE IS 53 AND COUSIN OF EDUCATION MINISTER AHARON YADLIN.

2. PRESENT BOI GOVERNOR SANBAR QUOTED IN PESS AS SUPPORTING YADLIN'S APPOINTMENT AND CALLING HIM NOT ONLY A GOOD ECONOMIST BUT ALSO A PERSON WITH A GOOD KNOWLEDGE OF ISRAEL'S ECONOMY. SANBAR NOTED THAT YADLIN'S HAVRAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEL AV 06179 081358Z

OVDIM BACKGROUND WOULD HELP ESTABLISH CLOSE RELATIONS

WITH ISRAEL'S BANKING SYSTEM SINCE HAVRAT OVDIM IS AFFILIATED WITH BANK HAPOALIM, ISRAEL'S SECOND LARGEST BANK. SANBAR ALSO CALLED FOR TRIPARTITE ECONOMIC PACKAGE ALONG LINES OF 1970'S ARRANGEMENT BETWEEN GOI, HISTADRUT, AND MANUFACTURERS. UNDER SUCH AN ARRANGEMENT, GOI WOULD CUT SPENDING, HISTADRUT WOULD RELINQUISH COST OF LIVING ALLOWANCE, INVESTORS WOULD FOREGO INDEX LINKAGE ON BONDS, AND MANUFACTURERS WOULD NOT RAISE PRICES.

3. COMMENT: FOLLOWING ANNOUNCEMENT OF YADIN'S APPOINTMENT, A LABOR PARTY MK COMMENTED TO EMBOFF THAT TO BE EFFECTIVE IN PRESENT SITUATION BOI GOVERNOR MUST COMMAND RESPECT ON BASIS OF EITHER HIS BANKING EXPERTISE OR HIS STANDING IN LABOR PARTY. MK OBSERVED THAT YADLIN FULFILLS THE SECOND CRITERION AND IS THEREFORE A GOOD CHOICE.

4. YADLIN APPOINTMENT REPRESENTS MOVE BY GOI TO REPLACE STRIDENT CRITIC WITH TEAM PLAYER. HOWEVER, IT IS NOT EASY TO PREDICT BOI GOVERNOR'S PERFORMANCE. WITNESS CASE OF SANBAR WHO WAS WIDELY TOUTED TO BE A MERE "YES MAN" TO EX-FINANCE MINISTER SAPIR WHEN APPOINTED FIVE YEARS AGO TO GOI JOB SANBAR'S SUBSEQUENT OUTSPOKENNESS SURPRISED MOST OBSERVERS, PERHAPS EVEN SANBAR HIMSELF. TOON

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CENTRAL BANK, ECONOMISTS, PERSONNEL APPOINTMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 SEP 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976TELAV06179  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760339-0455  
**From:** TEL AVIV  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760980/aaaacqkm.tel  
**Line Count:** 86  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 JUN 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14 JUN 2004 by BoyleJA>; APPROVED <15 JUN 2004 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NEW BANK OF ISRAEL GOVERNOR  
**TAGS:** EFIN, IS, (YADLIN, ASHER)  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006